

POLI-TICKS ✓

Rhode Island's government needs major surgery

By the time you read this, the General Assembly has probably passed the budget for the state. Both its proposals and that of the governor to balance the budget contained gimmicks.



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VIOLET

The governor plugged holes by using an insurance settlement from the American International Group. The monies weren't forth coming because the litigation rages on. He also wanted to float bonds using future tobacco revenues and to earmark the proceeds for infrastructure improvements. Trumping the governor's wish to use tobacco funds, the General Assembly countered by using \$192 million of future revenue to fill in the gaps in the present budget.

Most noteworthy was the dearth of any real proposals to fix the structural deficits that plague the state year after year. Certainly, the governor threw a "Hail Mary" pass at the end of the legislative session by saying that 1,000 state workers ought to be fired. His pronouncement, however, lacked credibility since he couldn't identify which jobs should be axed. In effect, he punted the ball as much as assembly leaders. So what should be done?

First of all, you don't have to be a member of the Mensa Society to see the obvious need for curtailment in spending. The House proposal creates a deficit of \$376.3 million in 2010 and \$421.9 million in 2011. The governor's budget barely is an improvement, with a projected deficit of \$349.8 million in 2010 and \$371.9 million in 2011.

While projections can always falter, the fact is that these shortfalls may be conservative since they are based on a continuing uptick in gaming revenues. If Twin River owner Sol Kerzner has

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his way, he will bankroll the Mashpee Indian casino in Massachusetts which cannibalizes Newport Grand (and Foxwoods with virtually no impact on his casino at Mohegan).

He'll be the real king of Smith Hill because he'll ask for expansion as a full casino in Rhode Island now made more likely by the demise in revenue at Newport Grand. He has outsmarted Gov. Don Carcieri, the erstwhile opponent of a full-fledged casino. During the interim, the gambling revenues will sag with the Mashpee casino coming on line so the deficit is more likely to bloom.

Secondly, it is patently obvious where the cuts need to be made. Think how absurd the Department of Transportation (DOT) fiasco really is. Through its largesse, a strip club was housed in its building and paid no rent. Consultant contracts had to be parceled out (usually to companies with ex-DOT retirees employed there) precisely because the DOT lacks engineering expertise in key areas. The incompetency requires these outside consultants to do the job that DOT employees have been hired to do. So, the taxpayer doles out money for two sets of people, i.e. the employee who can't do the job and the consultant who apparently does. A thorough review needs to be done to see if the same situation exists in other state departments.

Think about how absurd it is that the state spends \$800 per hour on a Washington, D.C. attor-

ney to fight the Tiverton oil spill. Estimates are that the state will pay out millions to this firm. The state is awash with attorneys. The attorney general is the environmental advocate under statute. Why isn't he doing the job? Also, are we to think that all the environmental attorneys over at the Department of Environmental Management (DEM) don't know how to litigate this matter?

Think about how the \$70 million in savings which would be realized by one statewide health contract for teachers. Yet, legislators bow under to a hissy fit. How about stopping the automatic guarantee of employment based on 20 years of service whether or not a job becomes obsolete? Why aren't the top honchos in government paying more than a pitance for their premiums on health care? If the average state worker earns \$59,000 with an added \$51,000 in benefits, then the 50 percent of workers who earn that amount or higher ought to be ponying up substantially more toward their health care.

This column could be twice as long with sensible proposals to cut spending. The governor promised us a fiscal fitness review. Now it's time for the legislature to get real. If that body can set up commissions to study things like gambling, how about a fiscal fitness commission to cut fat? The state needs surgery and it needs it now.

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